

Department of the Treasury



Date:

MAY 1 1 1982

Year(s):

Person to Contact:

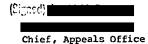
Contact Telephone Number:

Gentlemen:

		idered your appeal of the adverse action proposed by your key Di e paragraph(s) checked below indicate(s) our decision.	strict
☐ Revenue		r exemption from Federal income tax under section <u>521(c)(4)</u> is:	of the Internal
		confirmed.	
		modified. A new determination letter is enclosed.	
	X	denied or _ revoked. You are required to file Federal income to Form for the above years. You should file these your key District Director, EP/EO Division, within 30 days from this letter, unless a request for extension of time is granted.	returns with the date of
	You	are not a private foundation because you are described in Code	section(s)
	You	are an operating foundation as described in code section 4942(j	(3).
		have no liability for excise taxes under IRC	for the
		r liability for excise taxes under IRC	for the above
		re is no change to your unrelated business income tax liability the above years.	as reported
	You	r Form(s) 990-T for the above years are accepted as filed.	

You may direct questions about the decision to the appeals officer whose name and telephone number are shown above.

Sincerely yours,



APR & C 1981

Phar Applicant:

We have considered your application for recognition of exemption from Faderal income tax under section 501(a)(4) of the Internal Revenue Code of 1051.

The information submittel discloses that you wern incorporated under the nonporalit corporation laws of the State of the s

Your purpose as stated in your Articles of Incorporation is to
"...Provide for the betterment of the property owners and residents of
the the term area; to see that the
property and that all assessments and expenditures it renders are fair
and equitable as determined by

You state in your application that your main purpose is to oversee the activities and affairs of Specifically to be well informed as to what money gaid to by property owners in plat is being used for and to insure the money is spent for proper purposes.

You initiated a law suit against and others in an effort to resolve some of the acts of missingement and acts in violation of their articles and bylaws that you believe they have consitted.

Membership in your organization is open to lot owners and homeowners of You presently represent homeowners.

is a residential subdivision. There are approximately lots within the subdivision. Roads, streets, water systems, and recreational facilities are privately owned and maintained by the Clerkeal stack and maintenance personnel are hired by the community club. Haintenance as well as employees salaries to paid for from dues. Members of the Board of Directors of the community club are elected yearly.

Section 501(c)(4) of the Internal Revenue Code provides for the exemption from Federal income tax of organizations not organized for profit, but operated exclusively for the promotion of social welfare.

Section 501(c) of the Internal Revenue Code of 1954 Jeseribes certain organizations exempt form income tax under section 501(a) and reads:

(4) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of mostal welfare, or local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality, and the not carnings of which are devoted exclusively to charitable, educational, or regreational purposes.

Section 1.501(c)(4)-1(a)(2)(i) of the Income Tax Regulations provides that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting, in some way, the common good and general welfare of the people of the community.

Revenue Enling 73-306 1973-2 C.B. 179 denied exemption to a non-profit organization formed to represent member tendents of an apartment complex with regard to matters of mutual concern to the tenants. Who service concluded that the organization was operated espentially for the private banefit of members.

Similarly your organization is operated for the banedit of your members, and other residents and landowners of ______. You are not primarily engaged in activities for the common good and general welfare of the people of the community in which ______ Is located.

accordingly, it is held that you are not entitled to recognition of exemption from Federal income tax under section 501(c)(4) of the Code. You are required to file Federal income tax returns on Form 1120 for each year you have been in existence.

If you accept our findings, you lo not need to cake further action.

If you do not accept our findings, we recomment that you request a conference with the Office of Regional Director of Appeals. Your request for a conference should include a artitle appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be conference to arrange a date for a conference. The conference may be held at our Regional office or, if you request, at any mutually convenient Midtrict office.

If we do not hear from you within 30 days from the date of this letter, this ruling will become final. If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

District Director

Enclosure: Publication 392